Hertz

Public Affairs Department
660 Madison Avenue
New York, New York 10021

News Release

For Immediate Release, August 30, 1982

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With More, Smaller Units...

CAR & TRUCK LEASE-RENTAL INDUSTRY REVENUES RISE 16.8% IN 1981 TO $35.5 BILLION

While sales of cars and trucks slumped in 1981 for the third year in a row, the vehicle lease-rental industry scored a 1% increase in units in service and achieved a 16.8% revenue rise last year, according to The Hertz Corporation's annual estimate issued today.

The number of lease-rental cars and trucks advanced to 6,109,000 in 1981 from 6,051,000 in 1980, while revenues rose to $35.5 billion from $30.4 billion in '80, the company's yearly survey of its industry's size and growth shows.

Passenger cars in lease-rental use were up 1.1% to 5,068,000 from 5,015,000 and revenues for these autos jumped 17.9% to $24.6 billion, the new study reported. The number of lease-rental trucks climbed 1/2% to 1,041,000 from 1,036,000 and these revenues went up 14.4% from $9.536 billion to $10.906 billion, Hertz calculated.

"Users of all cars and trucks continued to keep vehicles longer and cut back on mileage, and those who lease and rent motor vehicles are no exception," Hertz observed. "In addition, many who lease and rent cars also are 'down-sizing' models selected, just as owners are."

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The report said vehicle "holding time" was up almost 6% over 1980, while mileage-per-year per-unit was off about 5.9%. Revenue per vehicle climbed 15.7% in 1981.

Hertz estimated the following rises for rental and leasing of cars and trucks for 1981 over 1980:

Car rental revenues advanced 19% to $3.3 billion on a 2.4% rise in units to 512,000 vehicles;

Truck rental units dropped 1% to 193,000 units but revenues were up 10.9% to $2.61 billion;

Car leasing units in service advanced 1% to 4,556,000 and revenues rose 17.9% to $21.24 billion;

Truck lease units rose 1% to 848,000 vehicles, while revenues advanced 15.5% to $8.3 billion.

Within the car leasing category, individual leases rose 3/10ths of 1% to 1,713,000 units and revenues were up 17% to $8.0 billion, while fleet units climbed 1.3% to 2,843,000 and their revenues were up 18.2% to $13.3 billion.

The firm said these figures may be conservative, since a growing number of automobile dealers and banks are now in the business, adding significantly to industry volume and growth.

Rentals are defined as transient daily, weekly or monthly use of cars and trucks, generally for less than one year. Leasing refers to longer-term contracts, usually from one to four years for cars and from one to seven years for trucks.

Imports Take Bigger 'Fleet' Share

Total cars in primarily non-personal use -- government and business-owned units, as well as lease-rental vehicles -- were 12,490,000 in 1981, up marginally from 12,486,000 in 1980, according to fleet industry data cited by Hertz. The survey estimates 4,003,000 of these were new units, 47.4% of all new cars sold last year, down from 49.1% in 1980.

The Hertz report also shows import makes accounted for 13.2% of those non-personal unit sales, up from 12.1% in 1980. As recently as 1979, imports' share was just 8.2% and in 1970 was under 3% of these "business" vehicles.

The Hertz figures include both traditional "fleet" sales and sales to individuals who use the units more than 50% for non-personal purposes such as business travel.

While total lease-rental units on the road remain a relatively small 2-4% of total cars and trucks in use, the ratio of new lease-rental units to all new vehicles sold has climbed sharply -- from 3/10ths of 1 per cent in 1950 to 3.7 per cent in 1960, 14.3% in 1970 and 18.1% last year.

For cars only, the ratio rose from 2/10ths of one per cent in 1950 to 3.4% in 1960, 15.4% in 1970 and 20.6% in 1981.

Over the past 15 years, Hertz estimates nearly half of all new cars sold in the U.S. went into corporate, government, small-business, professional and other non-personal use, including lease-rental service. However, more than one truck out of every five sold during the 1970's were recreational vehicles; and many more "commercial vehicles" are in other personal rather than business service.

Last year, Hertz studies show, the 12.49 million non-personal cars rolled 151 billion vehicle miles, and of this lease-rental autos logged some 98.3 billion miles.

Growth in Past Decade

A breakout of figures for the major areas of vehicle renting and leasing over the 1971-81 decade shows varying growth rates. Individual car leasing has been the fastest-growing category, fleet leasing is the biggest in total volume and car rentals involve the largest number of transactions, more than 40 million a year.

Here is the 10-year growth pattern:

Individual car leasing rose from 834,000 units in 1971 to 1,713,000 last year, up 105%, and their revenues climbed from $1.481 billion to $7.984 billion, up 439% for the decade;

Fleet car leasing was up from 1,811,000 to 2,843,000 units, 57% in 10 years, and their revenues went from $3.2 billion to $13.3 billion, up 312%;

Auto rental units stood at 512,000 in 1981, up 61% from 319,000 in 1971, and revenues were up 258% from $936 million to $3.3 billion;

Rental trucks were up 42% in the decade from 136,000 to 193,000 units for a revenue increase of 301% from $650 million to $2.606 billion.

Leased trucks climbed 45%, from 584,000 to 848,000 and their revenues went from $2.126 billion to $8.3 billion, 290% in the 10 years.

The ten-year growth for the four categories averaged 66% in units in service and 322% in revenues. For lease-rental cars, the unit rise was 71% and revenues were up 336%; for lease-rental trucks, units rose 45%, revenues 293%.

Growth of lease-rental vehicles has far outstripped the expansion of the motor vehicle industry that spawned it. In the same 10-year 1971-81 period, the number of cars and trucks on the road climbed just 40%, going from 113 million to 158.1 million. Their operating costs were up 280%, from $169 billion to $643 billion.

Total cars on the road climbed from 92.8 million in 1971 to 122 million in 1981, up 31%, while trucks in service went from 20.2 million to 36.1 million, a 79% rise.

First 35 Years The Slowest

Although the car and truck leasing and renting business began more than 65 years ago when the motor vehicle business itself was still young, lease-rental did not begin its current growth pattern until the 1950s.

By the mid-point of the twentieth century, only 82,000 lease-rental vehicles were in service and about 50,000 of these were trucks -- most of them short-haul delivery vans. This 82,000 amounted to less than 2/10ths of 1 per cent of nearly 50 million cars and trucks then on U.S. roads.

Lease-rental revenues that year were less than $120 million, with almost $90 million of this in truck charges, according to a review of U.S. motor vehicle use and costs prepared by Hertz.

Hertz itself, the leader in the field, had only about 6,300 units in service in 1950 and its revenues aggregated less than $14,000,000, primarily from trucks.

Ten years later, in 1960, the industry's lease-rental units had jumped ten-fold to nearly 900,000 -- about 636,000 cars, 252,000 trucks. Revenues were about $1.36 billion, an increase of more than 1,000 per cent in the decade. Hertz volume stood at $125 million.

In contrast, the total of cars and trucks on the road advanced only about 50 per cent to 74 million in those 10 years from 1950 to 1960.

From 1960 to 1970, vehicles in lease-rental service advanced an additional 300 per cent to reach the level of 3,556,000 units. Industry revenues climbed some 472 per cent to almost $7.8 billion in the 1960's decade.

At the same time, overall car and truck use in the United States rose only 47 per cent, going from just under 74 million in 1960 to about 108 million units in 1970.

Hertz' own revenues went from $125 million in 1960 to $512 million in 1970, up more than 300 per cent, and then to $1.428 billion in 1981, another 179% advance.

Younger Units, Differing Mileages

Lease-rental cars and trucks are far from typical U.S. motor vehicles, though. Rental cars, for example, normally are disposed of after only 9 to 18 months in service. A typical lease car is sold after 30-36 months of use these days. By comparison, the overall average age of U.S. passenger cars is 6.87 years; new cars are kept 5.4 years by private individuals and the usual life of cars is 10 to 15 years.

The typical rental truck is sold after 36-42 months on the road while the leased truck is retired following an average of 42-48 months' service. The overall truck average age, however, was 7.45 years.

Hertz estimates lease-rental cars and trucks, which totalled about 4 per cent of all the 158.1 million units on the road last year, rolled about 138 million vehicle miles, some 10.1 per cent of the overall 1.369 trillion miles run by all cars and trucks in 1981.

In 1960, when lease-rental units amounted to about 1.2 per cent of the 74 million units then in service, the lease-rental vehicles rolled just 17.8 billion miles, about 2.5 per cent of the 719 billion total vehicle miles travelled that year.

By 1970, when lease-rental cars and trucks in use were about 3.1% of total vehicles on the road, their mileage was 7.5% of total vehicle miles travelled.

Industry Growth Spurt

As the figures show, the greatest growth for the 65-year old, lease-rental business has come in the past 25-30 years. This is confirmed in a survey of corporations which were leasing cars in 1972. Just 6 per cent of these firms said they had begun car leasing prior to 1943 (though five of them said they'd started in 1916). Some 11 per cent of the companies responded that they switched to leasing in the 1943-53 decade, another 33 per cent in the 1953-63 period and 46 per cent took it up in the 1963-72 years.

Hertz traces its origins to 1918 when its founder began renting 12 automobiles in Chicago. Truck leasing by the company commenced in the early 1920's and full-scale long-term car leasing was undertaken in 1955.

Early figures are scant, but in 1923 when John Hertz bought the company, he was renting about 500 vehicles from several locations. Today, the company has some 4,300 car rental locations in more than 100 nations around the globe.

Hertz and eight to 12 other companies are generally regarded as the leading national firms in the business, with others operating on a regional or local basis. Some national concerns confine their business primarily in renting. Hertz, though, operates in all four major segments of the business: car renting; car leasing; truck renting and truck leasing. (The company also rents and leases other office, business and construction equipment.)

Some persons place the number of companies now in the business as high as 20,000 outlets -- ranging from automobile dealers who rent or lease only a handful of vehicles each, to major banks and retail chains specializing in car leasing.

The number of banks in the business has grown rapidly, especially in the so-called "open end" car leasing sector of the business. One tablulation showed that in 1968 just 25 banks leased vehicles, but by 1973, that figure had risen to 500; this is assumed to be in the thousands today. Lease-rental activity by car dealers is also up sharply.

Variety of Leases

Within the four major segments of the business, an almost infinite variety of lease or rental contracts are written to meet diverse customer needs. Under a so-called "open end" or "finance" lease, for example, the lessee assumes any gain or loss when the vehicle is sold at the end of the lease term. With a "closed end" contract, on the other hand, the lessor has the responsibility for the profit or loss.

New variations in contracts now permit the lessee to share in any gain in resale value of a vehicle at lease end, while still guarding against any loss. Other options include partial maintenance, discounts on major upkeep items such as tires and batteries and alternate forms of insurance coverage.

With a "full-maintenance" lease, the lessor provides complete service of the vehicle; with a "non-maintenance" contract, the lessee usually is responsible for keeping the vehicle running.

One agreement may cover a huge fleet of jumbo tractor-trailer combinations for a giant corporation while another involves one individual leasing a single sub-compact passenger car. One form of agreement could include fueling, maintaining, garaging, insuring and administering a nationwide fleet in scores of locations; another type of contract might call for little more than financing a single vehicle.

In addition, Hertz and other leasing companies in the field are disposing of a number of rental and lease units to individuals through retail customer sales at used vehicle showrooms and lots in key cities.

Industry officials see continuing growth. If, as many believe, this advance continues in the future at the same rate it has in the past, industry volume would be in the $60-70 billion range by the mid-1980s.

Hertz states: "The total car and truck lease-rental volume today is substantial and has been growing at a rapid rate for two decades. As we continue to offer more and improved services to the motoring public -- individuals as well as corporations -- we are confident that future growth will continue to reflect the success of our efforts as it has in the past.

# # #

TABLE I

DATA ON LEASE-RENTAL VEHICLES AND OTHER 'FLEET' UNITS 1950-1981

Total In Service
Units in Thousands
Revenues in Millions

	1950			1960			1970			1971			1980			1981		
	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total
Rental -- Units	17	9	26	112	45	157	314	128	442	319	136	455	500	195	695	512	193	705
Revenues	22	19	41	216	142	358	878	590	1468	936	650	1586	2814	2349	5163	3349	2606	5955
Lease -- Units	16	40	56	524	207	731	2556	558	3114	2645	584	3229	4515	841	5356	4556	848	5404
Revenues	8	69	77	483	519	1002	4293	2020	6313	4698	2126	6824	18036	7186	25222	21236	8300	29536
L/R Total Units	33	49	82	636	252	888	2870	686	3556	2964	720	3684	5015	1036	6051	5068	1041	6109
Revenues	30	88	118	699	661	1360	5171	2610	7781	5634	2776	8410	20850	9536	30386	24585	10906	35491
Lease Cars																		
Fleet Units	16			449			1753			1811			2807			2843		
Individual	—			75			803			834			1708			1713		
Lease Trucks																		
Full Service		36			145			318			330			334			330	
Finance Units		4			62			240			254			507			518	
New Units Into L/R Service	12	9	21	242	53	295	1295	166	1461	1333	175	1508	1809	206	2015	1743	183	1926
New Units Sold																		
Domestic Only	6300			6600			7157			8537			6292			6012		
Domestic & Import	6300	1100	7400	7100	900	8000	8388	1790	10178	9878	1993	11871	8761	2477	11238	8444	2185	10629
Total Vehicles on the Road (Millions)	40.3	8.8	49.2	61.6	12.2	73.8	89.3	19.1	108.4	92.8	20.2	113.0	120.5	35.1	155.8	122.0	36.1	158.1
Fuel Used By - L/R Units	.030	.115	.145	.830	.762	1.592	4.44	2.78	7.22	4.77	3.05	7.82	5.53	4.19	9.71	5.24	4.04	9.28
All C&T on Road (Bils. Gals.)	25.2	10.3	35.5	41.2	16.7	57.9	65.8	26.5	92.3	69.5	28.0	97.5	68.3	40.1	108.4	66.1	39.1	105.7
Veh. Miles Travld.																		
L/R Units	0.50	1.05	1.55	11.9	5.94	17.8	60.8	23.1	83.9	65.4	25.3	90.7	105.0	40.2	145.2	98.3	39.6	138.0
All Vehicles (Bils.)	364	94	458	588	131	719	901	220	1121	954	232	1186	991	386	1377	986	383	1369
Total 'Fleet' Cars*																		
Units on Road (M)	4.876			7.453			11.2			11.3			12.486			12.490		
Mileage Traveled (B)	62.3			100.6			159.8			164.6			152.5			150.9		

*Vehicles in non-personal service, l/r business and government

TABLE II

Hertz Corp. Estimates 8/82
In Millions of Units

'FLEET' CAR SALES--NEW CARS SOLD FOR NON-PERSONAL (BUSINESS) USE

	1950	1960	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
# Dom.	1.476	2.481	4.747	4.807	4.805	4.532	4.510	4.494	4.288	4.257	4.401	4.318	3.784	3.475
# Imp.	.0004	.003	.142	.149	.185	.259	.178	.251	.269	.330	.373	.386	.521	.528
Import % of 'Fleet'	--	1.3%	2.9%	3.0%	3.7%	5.4%	3.8%	5.3%	5.9%	7.2%	7.8%	8.2%	12.1%	13.2%
Tot.Fleet	1.476	2.484	4.889	4.956	4.990	4.791	4.688	4.745	4.557	4.587	4.774	4.704	4.305	4.003
% 'Fleet' to Tot. Sales	23.4%	35.0%	58.3%	50.2%	48.2%	42.1%	53.9%	57.4%	46.7%	42.7%	43.6%	45.5%	49.1%	47.4%

NEW CAR SALES TO INDIVIDUALS FOR PERSONAL USE

# Dom.	4.819	4.114	2.410	3.730	4.153	5.056	2.822	2.263	4.016	4.527	4.599	3.678	2.508	2.537
# Imp.	.005	.507	1.089	1.192	1.210	1.529	1.191	1.254	1.178	1.638	1.573	1.953	1.948	1.904
# Total	4.824	4.621	3.499	4.922	5.363	6.585	4.013	3.517	5.194	6.165	6.172	5.631	4.456	4.441
% Import to Tot. Individ. Sales	0.1%	11.0%	31.1%	24.2%	22.6%	23.2%	29.7%	35.7%	22.7%	26.6%	25.5%	34.7%	43.7%	42.9%

TOTAL NEW CAR SALES--INDIVIDUAL & 'FLEET'--DOMESTIC & IMPORT

# Dom.	6.295	6.595	7.157	8.537	8.958	9.586	7.332	6.757	8.304	8.784	9.000	7.996	6.292	6.012
# Imp.	.005	.510	1.231	1.341	1.395	1.790	1.369	1.505	1.447	1.968	1.946	2.339	2.469	2.432
# Total	6.300	7.105	8.388	9.878	10.353	11.376	8.701	8.262	9.751	10.752	10.946	10.335	8.761	8.444
% Import of Total Sales	0.16%	7.0%	14.7%	13.6%	13.5%	15.7%	15.7%	18.2%	14.8%	18.3%	17.8%	22.6%	28.1%	28.8%

'Fleet' Sales = All Passenger Cars Used Primarily for Non-Personal Driving.

TABLE III

MILEAGE TRAVELLED AND FUEL USED BY VEHICLE TYPE AND PURPOSE
(In Billions of Miles and Billions of Gallons)

TRUCKS*		PASSENGER CARS Business Travel By Passenger Cars		PASSENGER CARS Necessary Family Use		PASSENGER CARS (Commutation Use)+		CARS & TRUCKS TOTAL NON-PLEASURE*		CARS PLEASURE TRAVEL		CARS & TRUCKS TOTAL VEHICLE TRAVEL	
Miles	Fuel Use	Miles	Fuel Use	Miles	Fuel Use	(Miles)	(Fuel Use)	Miles	Fuel Use	Miles	Fuel Use	Miles	Fuel Use
94B	10.3 Bg	62.3B	4.33B	207B	14.38 Bg	102B	7.06 Bg	363B	29.01 Bg	95 B	6.49 Bg	458	35.5
131	16.7	100.6	7.03	334	23.36	170	11.87	566	47.09	153	10.81	719	57.9
220	26.5	159.8	11.66	508	37.08	268	19.53	888	75.24	233	17.06	1121	92.3
232	28.0	164.6	12.01	549	40.07	287	20.98	945	80.08	241	17.42	1186	97.5
265	29.5	167.0	11.68	573	40.07	303	21.20	1005	81.25	263	18.25	1268	99.5
260	30.4	157.4	12.11	561	43.15	297	22.88	978	85.66	259	19.64	1237	105.3
274	29.9	143.9	11.51	529	42.32	281	22.46	946	83.73	244	19.47	1190	103.2
270	29.7	148.2	11.31	553	42.21	294	22.42	972	83.22	254	19.68	1226	102.9
302	33.1	154.7	10.67	572	43.01	303	22.82	1029	86.78	262	20.72	1291	107.5
338	36.7	161.1	10.39	630	45.99	323	23.58	1129	93.08	258	20.22	1387	113.3
360	38.3	171.1	10.06	652	46.57	334	23.89	1183	94.93	264	20.97	1447	115.9
371	38.6	166.7	9.26	658	45.89	324	22.70	1196	93.75	229	18.05	1425	111.8
386	40.1	152.5	8.03	637	44.44	315	21.94	1179	92.57	201	15.83	1377	108.4
383	39.1	150.9	7.82	636	43.47	314	21.42	1170	90.38	199	15.31	1369	105.7

*Note: Many light-duty trucks are used for pleasure travel, but mileage figures cannot be computed accurately, therefore, non-pleasure truck and overall non-pleasure travel totals are believed to be somewhat over-stated. All data are projections and estimates based on government and motor vehicle industry public figures. Trucks are also used for commutation.

+Note: Commutation sub-category is included in "Necessary Family Use" Total.
Government samples indicate about 10.2% of commutation mileage is by truck, presumably much of it by vans in pool-type arrangements. These totals are reflected in truck use, not in commutation.

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The ten-year growth for the four categories averaged 66% in units in service and 322% in revenues. For lease-rental cars, the unit rise was 71% and revenues were up 336%; for lease-rental trucks, units rose 45%, revenues 293%.

Growth of lease-rental vehicles has far outstripped the expansion of the motor vehicle industry that spawned it. In the same 10-year 1971-81 period, the number of cars and trucks on the road climbed just 40%, going from 113 million to 158.1 million. Their operating costs were up 280%, from $169 billion to $643 billion.

Total cars on the road climbed from 92.8 million in 1971 to 122 million in 1981, up 31%, while trucks in service went from 20.2 million to 36.1 million, a 79% rise.

First 35 Years The Slowest

Although the car and truck leasing and renting business began more than 65 years ago when the motor vehicle business itself was still young, lease-rental did not begin its current growth pattern until the 1950s.

By the mid-point of the twentieth century, only 82,000 lease-rental vehicles were in service and about 50,000 of these were trucks -- most of them short-haul delivery vans. This 82,000 amounted to less than 2/10ths of 1 per cent of nearly 50 million cars and trucks then on U.S. roads.

Lease-rental revenues that year were less than $120 million, with almost $90 million of this in truck charges, according to a review of U.S. motor vehicle use and costs prepared by Hertz.

Hertz itself, the leader in the field, had only about 6,300 units in service in 1950 and its revenues aggregated less than $14,000,000, primarily from trucks.

Ten years later, in 1960, the industry's lease-rental units had jumped ten-fold to nearly 900,000 -- about 636,000 cars, 252,000 trucks. Revenues were about $1.36 billion, an increase of more than 1,000 per cent in the decade. Hertz volume stood at $125 million.

In contrast, the total of cars and trucks on the road advanced only about 50 per cent to 74 million in those 10 years from 1950 to 1960.

From 1960 to 1970, vehicles in lease-rental service advanced an additional 300 per cent to reach the level of 3,556,000 units. Industry revenues climbed some 472 per cent to almost $7.8 billion in the 1960's decade.

At the same time, overall car and truck use in the United States rose only 47 per cent, going from just under 74 million in 1960 to about 108 million units in 1970.

Hertz' own revenues went from $125 million in 1960 to $512 million in 1970, up more than 300 per cent, and then to $1.428 billion in 1981, another 179% advance.

Younger Units, Differing Mileages

Lease-rental cars and trucks are far from typical U.S. motor vehicles, though. Rental cars, for example, normally are disposed of after only 9 to 18 months in service. A typical lease car is sold after 30-36 months of use these days. By comparison, the overall average age of U.S. passenger cars is 6.87 years; new cars are kept 5.4 years by private individuals and the usual life of cars is 10 to 15 years.

The typical rental truck is sold after 36-42 months on the road while the leased truck is retired following an average of 42-48 months' service. The overall truck average age, however, was 7.45 years.

Hertz estimates lease-rental cars and trucks, which totalled about 4 per cent of all the 159.1 million units on the road last year, rolled about 138 million vehicle miles, some 10.1 per cent of the overall 1.369 trillion miles run by all cars and trucks in 1981.

In 1960, when lease-rental units amounted to about 1.2 per cent of the 74 million units then in service, the lease-rental vehicles rolled just 17.8 billion miles, about 2.5 per cent of the 719 billion total vehicle miles travelled that year.

By 1970, when lease-rental cars and trucks in use were about 3.1% of total vehicles on the road, their mileage was 7.5% of total vehicle miles travelled.

Industry Growth Spurt

As the figures show, the greatest growth for the 65-year old, lease-rental business has come in the past 25-30 years. This is confirmed in a survey of corporations which were leasing cars in 1972. Just 6 per cent of these firms said they had begun car leasing prior to 1943 (though five of them said they'd started in 1916). Some 11 per cent of the companies responded that they switched to leasing in the 1943-53 decade, another 33 per cent in the 1953-63 period and 46 per cent took it up in the 1963-72 years.

Hertz traces its origins to 1918 when its founder began renting 12 automobiles in Chicago. Truck leasing by the company commenced in the early 1920's and full-scale long-term car leasing was undertaken in 1955.

Early figures are scant, but in 1923 when John Hertz bought the company, he was renting about 500 vehicles from several locations. Today, the company has some 4,300 car rental locations in more than 100 nations around the globe.

Hertz and eight to 12 other companies are generally regarded as the leading national firms in the business, with others operating on a regional or local basis. Some national concerns confine their business primarily in renting. Hertz, though, operates in all four major segments of the business: car renting; car leasing; truck renting and truck leasing. (The company also rents and leases other office, business and construction equipment.)

Some persons place the number of companies now in the business as high as 20,000 outlets -- ranging from automobile dealers who rent or lease only a handful of vehicles each, to major banks and retail chains specializing in car leasing.

The number of banks in the business has grown rapidly, especially in the so-called "open end" car leasing sector of the business. One tablulation showed that in 1968 just 25 banks leased vehicles, but by 1973, that figure had risen to 500; this is assumed to be in the thousands today. Lease-rental activity by car dealers is also up sharply.

Variety of Leases

Within the four major segments of the business, an almost infinite variety of lease or rental contracts are written to meet diverse customer needs. Under a so-called "open end" or "finance" lease, for example, the lessee assumes any gain or loss when the vehicle is sold at the end of the lease term. With a "closed end" contract, on the other hand, the lessor has the responsibility for the profit or loss.

New variations in contracts now permit the lessee to share in any gain in resale value of a vehicle at lease end, while still guarding against any loss. Other options include partial maintenance, discounts on major upkeep items such as tires and batteries and alternate forms of insurance coverage.

With a "full-maintenance" lease, the lessor provides complete service of the vehicle; with a "non-maintenance" contract, the lessee usually is responsible for keeping the vehicle running.

One agreement may cover a huge fleet of jumbo tractor-trailer combinations for a giant corporation while another involves one individual leasing a single sub-compact passenger car. One form of agreement could include fueling, maintaining, garaging, insuring and administering a nationwide fleet in scores of locations; another type of contract might call for little more than financing a single vehicle.

In addition, Hertz and other leasing companies in the field are disposing of a number of rental and lease units to individuals through retail customer sales at used vehicle showrooms and lots in key cities.

Industry officials see continuing growth. If, as many believe, this advance continues in the future at the same rate it has in the past, industry volume would be in the $60-70 billion range by the mid-1980s.

Hertz states: "The total car and truck lease-rental volume today is substantial and has been growing at a rapid rate for two decades. As we continue to offer more and improved services to the motoring public -- individuals as well as corporations -- we are confident that future growth will continue to reflect the success of our efforts as it has in the past.

# # #

TABLE I

DATA ON LEASE-RENTAL VEHICLES AND OTHER 'FLEET' UNITS
1950-1981

Total In Service
Units in Thousands
Revenues in Millions

	1950			1960			1970			1971			1980			1981		
	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total
Rental -- Units	17	9	26	112	45	157	314	128	442	319	136	455	500	195	695	512	193	705
Revenues	22	19	41	216	142	358	878	590	1468	936	650	1586	2814	2349	5163	3349	2606	5955
Lease -- Units	16	40	56	524	207	731	2556	558	3114	2645	584	3229	4515	841	5356	4556	848	5404
Revenues	8	69	77	483	519	1002	4293	2020	6313	4698	2126	6824	18036	7186	25222	21236	8300	29536
L/R Total Units	33	49	82	636	252	888	2870	686	3556	2964	720	3684	5015	1036	6051	5068	1041	6109
Revenues	30	88	118	699	661	1360	5171	2610	7781	5634	2776	8410	20850	9536	30386	24585	10906	35491
Lease Cars																		
Fleet Units	16			449			1753			1811			2807			2843		
Individual	—			75			803			834			1708			1713		
Lease Trucks																		
Full Service		36			145			318			330			334			330	
Finance Units		4			62			240			254			507			518	
New Units Into L/R Service	12	9	21	242	53	295	1295	166	1461	1333	175	1508	1809	206	2015	1743	183	1926
New Units Sold																		
Domestic Only	6300			6600			7157			8537			6292			6012		
Domestic & Import	6300	1100	7400	7100	900	8000	8388	1790	10178	9878	1993	11871	8761	2477	11238	8444	2185	10629
Total Vehicles on the Road (Millions)	40.3	8.8	49.2	61.6	12.2	73.8	89.3	19.1	108.4	92.8	20.2	113.0	120.5	35.1	155.8	122.0	36.1	158.1
Fuel Used By - L/R Units	.030	.115	.145	.830	.762	1.592	4.44	2.78	7.22	4.77	3.05	7.82	5.53	4.19	9.71	5.24	4.04	9.28
All C&T on Road (Bils. Gals.)	25.2	10.3	35.5	41.2	16.7	57.9	65.8	26.5	92.3	69.5	28.0	97.5	68.3	40.1	108.4	66.1	39.1	105.7
Veh. Miles Travld.																		
L/R Units	0.50	1.05	1.55	11.9	5.94	17.8	60.8	23.1	83.9	65.4	25.3	90.7	105.0	40.2	145.2	98.3	39.6	138.0
All Vehicles (Bils.)	364	94	458	588	131	719	901	220	1121	954	232	1186	991	386	1377	986	383	1369
Total 'Fleet' Cars*																		
Units on Road (M)	4.876			7.453			11.2			11.3			12.486			12.490		
Mileage Traveled (B)	62.3			100.6			159.8			164.6			152.5			150.9		

*Vehicles in non-personal service, l/r business and government

TABLE II

Hertz Corp. Estimates 8/82
In Millions of Units

'FLEET' CAR SALES--NEW CARS SOLD FOR NON-PERSONAL (BUSINESS) USE

	1950	1960	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
# Dom.	1.476	2.481	4.747	4.807	4.805	4.532	4.510	4.494	4.288	4.257	4.401	4.318	3.784	3.475
# Imp.	.0004	.003	.142	.149	.185	.259	.178	.251	.269	.330	.373	.386	.521	.528
Import % of 'Fleet'	--	1.3%	2.9%	3.0%	3.7%	5.4%	3.8%	5.3%	5.9%	7.2%	7.8%	8.2%	12.1%	13.2%
Tot.Fleet	1.476	2.484	4.889	4.956	4.990	4.791	4.688	4.745	4.557	4.587	4.774	4.704	4.305	4.003
% 'Fleet' to Tot. Sales	23.4%	35.0%	58.3%	50.2%	48.2%	42.1%	53.9%	57.4%	46.7%	42.7%	43.6%	45.5%	49.1%	47.4%

NEW CAR SALES TO INDIVIDUALS FOR PERSONAL USE

# Dom.	4.819	4.114	2.410	3.730	4.153	5.056	2.822	2.263	4.016	4.527	4.599	3.678	2.508	2.537
# Imp.	.005	.507	1.089	1.192	1.210	1.529	1.191	1.254	1.178	1.638	1.573	1.953	1.948	1.904
# Total	4.824	4.621	3.499	4.922	5.363	6.585	4.013	3.517	5.194	6.165	6.172	5.631	4.456	4.441
% Import to Tot. Individ. Sales	0.1%	11.0%	31.1%	24.2%	22.6%	23.2%	29.7%	35.7%	22.7%	26.6%	25.5%	34.7%	43.7%	42.9%

TOTAL NEW CAR SALES--INDIVIDUAL & 'FLEET'--DOMESTIC & IMPORT

# Dom.	6.295	6.595	7.157	8.537	8.958	9.586	7.332	6.757	8.304	8.784	9.000	7.996	6.292	6.012
# Imp.	.005	.510	1.231	1.341	1.395	1.790	1.369	1.505	1.447	1.968	1.946	2.339	2.469	2.432
# Total	6.300	7.105	8.388	9.878	10.353	11.376	8.701	8.262	9.751	10.752	10.946	10.335	8.761	8.444
% Import of Total Sales	0.16%	7.0%	14.7%	13.6%	13.5%	15.7%	15.7%	18.2%	14.8%	18.3%	17.8%	22.6%	28.1%	28.8%

'Fleet' Sales = All Passenger Cars Used Primarily for Non-Personal Driving.

TABLE III

MILEAGE TRAVELLED AND FUEL USED BY VEHICLE TYPE AND PURPOSE
(In Billions of Miles and Billions of Gallons)

TRUCKS*		PASSENGER CARS Business Travel By Passenger Cars		PASSENGER CARS Necessary Family Use		PASSENGER-CARS (Commutation Use)+		CARS & TRUCKS TOTAL NON-PLEASURE*		CARS PLEASURE TRAVEL		CARS & TRUCKS TOTAL VEHICLE TRAVEL	
Miles	Fuel Use	Miles	Fuel Use	Miles	Fuel Use	(Miles)	(Fuel Use)	Miles	Fuel Use	Miles	Fuel Use	Miles	Fuel Use
94B	10.3 Bg	62.3B	4.33B	207B	14.38 Bg	102B	7.06 Bg	363B	29.01 Bg	95 B	6.49 Bg	458	35.5
131	16.7	100.6	7.03	334	23.36	170	11.87	566	47.09	153	10.81	719	57.9
220	26.5	159.8	11.66	508	37.08	268	19.53	888	75.24	233	17.06	1121	92.3
232	28.0	164.6	12.01	549	40.07	287	20.98	945	80.08	241	17.42	1186	97.5
265	29.5	167.0	11.68	573	40.07	303	21.20	1005	81.25	263	18.25	1268	99.5
260	30.4	157.4	12.11	561	43.15	297	22.88	978	85.66	259	19.64	1237	105.3
274	29.9	143.9	11.51	529	42.32	281	22.46	946	83.73	244	19.47	1190	103.2
270	29.7	148.2	11.31	553	42.21	294	22.42	972	83.22	254	19.68	1226	102.9
302	33.1	154.7	10.67	572	43.01	303	22.82	1029	86.78	262	20.72	1291	107.5
338	36.7	161.1	10.39	630	45.99	323	23.58	1129	93.08	258	20.22	1387	113.3
360	38.3	171.1	10.06	652	46.57	334	23.89	1183	94.93	264	20.97	1447	115.9
371	38.6	166.7	9.26	658	45.89	324	22.70	1196	93.75	229	18.05	1425	111.8
386	40.1	152.5	8.03	637	44.44	315	21.94	1179	92.57	201	15.83	1377	108.4
383	39.1	150.9	7.82	636	43.47	314	21.42	1170	90.38	199	15.31	1369	105.7

*Note: Many light-duty trucks are used for pleasure travel, but mileage figures cannot be computed accurately, therefore, non-pleasure truck and overall non-pleasure travel totals are believed to be somewhat over-stated. All data are projections and estimates based on government and motor vehicle industry public figures. Trucks are also used for commutation.

+Note: Commutation sub-category is included in "Necessary Family Use" Total.
Government samples indicate about 10.2% of commutation mileage is by truck, presumably much of it by vans in pool-type arrangements. These totals are reflected in truck use, not in commutation.

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